

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/2006 To (mo./yr.) 12/2006
2. DOGM File Number (Mine No): M/035/011
3. Mine Name: 4th Line/Copperton Concentrator
4. Mineral(s) Mined (or permitted to mine): Copper and associated metals
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
____ 1/4, ____ 1/4, ____ 1/4, Section ____, Township ____, Range ____
____ 1/4, ____ 1/4, ____ 1/4, Section ____, Township ____, Range ____
____ 1/4, ____ 1/4, ____ 1/4, Section ____, Township ____, Range ____

Section 31, Township 1 S, Range 2 W;

Sections 6, 7, 8, 16, 17, 21, 28, 29 & 32 Township 1 S, Range 2 W;

Sections 5, 6, 7 & 18, Township 3 S, Range 2 W;

7. Name of Operator or Company: Kennecott Utah Copper Corp.
8. Permanent Street Address: 8362 W 10200 S
City, State, Zip: Bingham Canyon, Utah, 84006
Phone (801) 569-6356 Fax: (801) 569-7192 E-mail: jacksor1@kennecott.com
9. Company Representative (or designated operator):
Name: Rohan McGowan-Jackson
Title: Manager HSE & SD
Business Address: P.O. Box 6001
City, State, Zip: Magna, Utah, 84044-6001
Phone: (801) 569-6356 Fax: (801) 569-7192 E-mail: jacksor1@kennecott.com
☒ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. A total of 52.5 million short tons of ore was milled in 2006.
4. Briefly describe the type of work performed, during the past year. Crushing and concentrating ore in addition to tailings generation continued within the permit boundaries. Also, construction of the approved Pebble Crushing and Conveying facility was completed by August 2006. The facility remains within the permitted area and footprint of the existing Copperton Concentrator.
5. How much **new or additional acreage** was disturbed during the past year? No additional acreage was disturbed in 2006.
6. How much acreage was **reclaimed** during the past year? Since there were no additional disturbances no additional acreage was reclaimed in 2006.
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). No reclamation performed in 2006.
8. What is the **total disturbed acreage of entire project** at years end? Total disturbed acreage within the permitted area is 341 acres and has not changed in 2006.
9. Briefly summarize any mining and/or reclamation plans for the upcoming year. Crushing and flotation activities will continue through 2007 and include operation of the the Pebble Crushing and Conveying facility. An updated map of the Copperton Concentrator showing the Pebble Crusher and existing facilities is attached (454-T-0249). The Copperton Concentrator is also evaluating upgrades to the existing flotation plant as well as construction of a regrind mill in an effort to increase recoveries due to higher through-put from the pebble crusher. The upgrades include the replacement of existing rougher cleaner flotation cells with new column flotation cells as wells as construction of a regrind tower mill. Replacement of facilities and new construction will remain within the existing disturbed footprint, thus no additional disturbance is planned. The addition of new facilities will add to the reclamation surety by increasing demolition costs. KUCC sent a separate correspondence dated January 25, 2007 which included a discussion on the planned upgrades as well as a completed form MR-REV.
10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2


1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

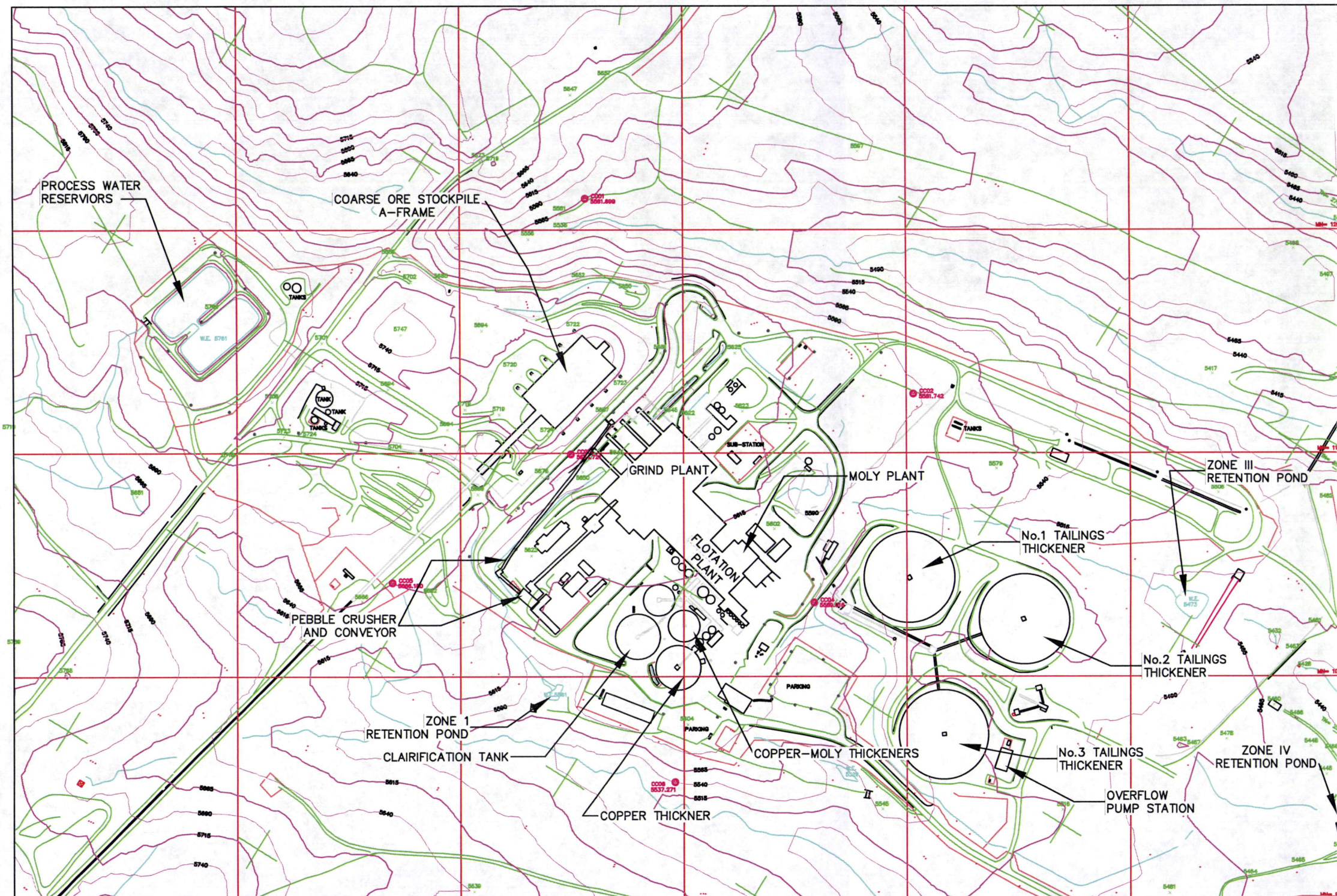
Name (Typed or Print): Rohan McGowan-Jackson

Title of Operator: Manager, HSE & SD

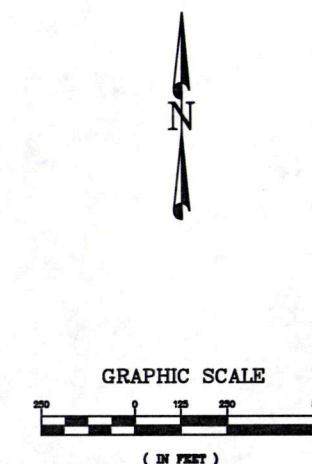
Signature of Operator: 

Date: 1/27/2007

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MAP TOPOGRAPHY BASED ON 2006 SURVEY.



STRATEGIC RESOURCES GROUP		KENNECOTT UTAH COPPER	
SCALE: 1"=500'	DATE	COPPERTON CONCENTRATOR AREA SHOWING EXISTING FACILITIES AND THE NEW PEBBLE CRUSHER AND CONVEYOR	
DRAWN BY: JI	1/23/07		
CHECKED BY: JI	1/23/07		
PROJECT ENGINEER			
PROJECT MANAGER			
Job No. ---	Dwg. No. 454-T-0249	REV	